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ABSTRACT

The data involved in a program-planned budget may be considered as being a two-dimensional array of numbers as opposed to a single column of numbers in the traditional budget accounting systems. Depending on the complexity of the organization, there may be more or fewer blanks in the two dimensional matrix. In the worst case, items can be squared, although such a large increase is extremely unlikely. In any case, the number of individual data elements involved has to increase as a result of changing to a program planned budgeting system, which necessarily increases the justification for using data processing equipment. In principle, data processing functions involved in this type of budget allocation and analysis are not different from the performance of the same function for any other type of budgeting system. The success of the implementation depends on the active involvement and support of top administration, a realistic and sophisticated system design, and proper control of input and operation of the equipment. (MF)

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Data Processing Applied to Library Budgets

by

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Wayne State University

Paper presented at an Institute on Program Planning and Budgeting Systems for Libraries at Wayne State University, Detroit, Michigan, Department of Library Science, Spring 1968

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Introduction

by
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The following paper was presented at an institute on Program Planning and Budgeting Systems for Libraries, held at Wayne State University under the Higher Education Act, Title IIB, in the spring of 1968.

The intent of the institute was to introduce administrators and finance officers of large libraries, public, state, and academic to the principles and procedures of PPBS.

Each participant in the institute brought with him the most recent budget document from his own library, and with the help of the institute staff, attempted to convert it into a PPBS presentation.

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Program Planned Budget Systems are popular today as evidenced by your attendance at this institute on the subject. The attractiveness of such a system stems from its ability to analyze income and expenditures on a functional basis in addition to the traditional line item categories. Thus, the system appeals to budgeting authorities and administrators; whereas it is not particularly likeb by operating staff, since it requires additional work in allocating individual items to various subcategories representing the various functions performed by the organization.

One can, therefore, think of the data involved in a program planned budget as being a two-dimentsional array of numbers as opposed to a single column of numbers in the traditional budget and accounting systems. Depending on the complexity of the organization, there may be more or ~~less~~ fewer blanks in the two dimensional matrix. In the worst case, items can be squared, although such a large increase is extremely unlikely. In any case, the number of individual data elements involved has to increase as a result of changing to a program planned budgeting system, which necessarily increases the justification for using data processing equipment.

In principle, data processing functions involved in this type of budget allocation and analysis is not different from the performance of the same function for any other type of budgeting system. As in any other data processing application, the success of the implementation depends on the

active involvement and support of top administration, a realistic and sophisticated system design, and proper control of input and operation of the equipment.

If the above criteria for effective implementation were listed in descending order of importance, the intimate involvement of top administration, although it is the most important ingredient for any successful data processing operation, is usually the hardest to achieve. Unfortunately, we live in an era of rapidly expanding technological improvement which generates an aura of fear and suspicision of the unknown monster computer in the minds of most layment. Unfortunately, top administrators often fall victim to this desease in spite of the obvious status value of the presence of a computer in the organization. The natural temptation arises to employ data processing specialists, whose competence the administrator is not able to accurately access and who are nominally assigned the task of implementing administrative decisions. The administrator has to learn that what may appear to him to be highly intelligent and cogent decisions, may have and often are very complex and almost impossible for implementation from the point of view of data processing specialists. Hence need for active, interested involvement of the powers ~~that be~~.

The system design, which clearly will determine the success or failure of implementation of the system should be influenced by administration. In any organization functional categories will change, which dictates the need for flexibility of the system. Even if this flexibility is built into the system, modifications of a very minor nature are often difficult and time consuming. As far as libraries are concerned, it would be highly desirable to have access

to a general system of line item and functional budget categories, in other words, an account structure oriented toward program planned budgeting systems for libraries. To the best of my knowledge such a system does not now exist, and moreover it is doubtful that a system can be developed which makes adequate allowances for the substantial differences which undoubtedly exist in the functional responsibility of different libraries. Therefore, development of such a system would be a long-term objective, and even so it may well be the case that a system having the right characteristics would be so cumbersome as to introduce operating inefficiencies for organizations having need for only relatively small parts of the general system.

In summary, the concept of program planned budgeting is appealing but cannot be implemented in an organization of a reasonable size without fairly sophisticated data processing, ~~implementation,~~ which may not now exist in the library area.